

## FY 2024 Budget Performance Review

### Oklahoma Real Estate Commission

Lead Administrator: Grant Cody

Lead Financial Officer: Bailey Crotty

#### Agency Mission

The mission of the Oklahoma Real Estate Commission is to protect the public interest in real estate transactions and provide quality services and resources to real estate professionals and consumers by establishing and maintaining minimum standards of knowledge and ethical practices; investigating and prosecuting consumer and licensee complaints, and licensed and unlicensed real estate activity that violates the Oklahoma Real Estate License Code and Administrative Rules.

#### Division and Program Descriptions

**Note: Please define any acronyms used in program descriptions.**

##### 0100001 - Administration

**Admin** - The administration department provides general support for the agency's education, investigation, and recovery programs. Processes consist of answering phone calls, maintaining file systems, processing licensee requests, maintaining documents, advising the agency on policies and procedures, and processing internal financial services.

**Licensing** - Our licensing department issues licenses to individuals, business entities, educators, and sole proprietors. Our agency currently maintains over 24,000 licenses. Our licensing staff assists applicants and licensees with the following requests: monthly renewals, registering trust accounts, releases from different companies, transfers to different companies, approval requests for business entities, trade names, change of addresses, continuing education hours, and general license inquiries.

##### 0200001 - Education Program

Our education department reviews, approves, and maintains school information including course outlines and materials taught in realty estate schools throughout Oklahoma. The education department also holds instructor seminars to help instructors maintain a high standard of education and informs instructors of updates to various topics. The education department works hand in hand with different schools and instructors to ensure that compliance and consistency is achieved throughout the state. The department additionally answers questions of licensees or prospective licensees on course requirements and continuing education requirements.

##### 0300001 - Recovery Program

The recovery program is funded through license issuance and renewals. The recovery program is also funded through fines collected from licensees who have violated the Real Estate License Code and Rules. If a member of the public has been financially harmed due to a defendant's actions that person may make a claim to the recovery fund for retribution. The claim is then reviewed and judgement is provided by the appointed commissioners to decide if the claimant is due any funds, and if so how much funds need to be distributed by the recovery fund.

##### 8800001 - Administration Info Tech

The Administration Info Tech program provides IT support, maintenance and advisement on any and all technology concerns, projects, and software that the real estate commission operates.

#### FY'23 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
0100001	Administration			\$1,762,637			\$1,762,637
0200001	Education Program			\$21,200			\$21,200
0300001	Recovery Program			\$50,000			\$50,000
8800001	Administration Info Tech			\$123,250			\$123,250
<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$1,957,087</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,957,087</b>

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable for each department:

#### FY'22 Carryover by Funding Source

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
20000	Revolving Fund			\$2,519,605			\$2,519,605
21000	Okla. R.E. Educ & Recov. Fund			\$461,843			\$461,843

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable:

#### What changes did the agency make between FY'22 and FY'23?

1.) Are there any services no longer provided because of budget cuts?

N/A

2.) What services are provided at a higher cost to the user?

N/A

3.) What services are still provided but with a slower response rate?

N/A

4.) Did the agency provide any pay raises that were not legislatively/statutorily required?

Yes, three agency employees were given pay raises after completion of their probationary year of employment. Five agency employees were given minimal raises due to improved work performance and inflation.

#### FY'24 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other <sup>1</sup>	Total	% Change
0100001	Administration	\$0	\$0	\$1,762,637	\$0	\$1,762,637	0.00%
0200001	Education Program	\$0	\$0	\$21,200	\$0	\$21,200	0.00%
0300001	Recovery Program	\$0	\$0	\$50,000	\$0	\$50,000	0.00%
8800001	Administration Info Tech	\$0	\$0	\$123,250	\$0	\$123,250	0.00%
<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$1,957,087</b>	<b>\$0</b>	<b>\$1,957,087</b>	<b>0.00%</b>

1. Please describe source(s) and % of total of "Other" funding for each department:

#### FY'24 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:		
Request 2:		

Request 3:							
Request 4:							
Request 5:							
Top Five Request Subtotal:							
\$0							
Total Increase above FY-23 Budget (including all requests)							
\$ -							
Difference between Top Five requests and total requests:							
\$0							
<b>Does the agency have any costs associated with the Pathfinder retirement system and federal employees?</b>							
No							
<b>How would the agency be affected by receiving the same appropriation for FY '24 as was received in FY '23? (Flat/ 0% change)</b>							
N/A							
<b>How would the agency handle a 2% appropriation reduction in FY '24?</b>							
N/A							
<b>Is the agency seeking any fee increases for FY '24?</b>							
Increase 1 Increase 2 Increase 3		Fee Increase Request (\$)	Statutory change required? (Yes/No)				
<b>What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?</b>							
Description of request in order of priority		Appropriated Amount (\$)	Submitted to LRCPC? (Yes/No)				
Priority 1							
Priority 2							
Priority 3							
<b>Federal Funds</b>							
CFDA	Federal Program Name	Agency Dept. #	FY 23 budgeted	FY 22	FY 21	FY 20	FY 19
<b>Federal Government Impact</b>							
1.) How much federal money received by the agency is tied to a mandate by the Federal Government?							
None							
2.) Are any of those funds inadequate to pay for the federal mandate?							
N/A							
3.) What would the consequences be of ending all of the federal funded programs for your agency?							
N/A							
4.) How will your agency be affected by federal budget cuts in the coming fiscal year?							
N/A							
5.) Has the agency requested any additional federal earmarks or increases?							
N/A							
<b>FY'23 Budgeted FTE</b>							
Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
0100001	Administration	3	9		10	1	1
0200001	Education Program						
<b>Total</b>		<b>3</b>	<b>9</b>	<b>0</b>	<b>10</b>	<b>1</b>	<b>1</b>
<b>FTE History</b>							
Division #	Division Name	2023 Budgeted	2022	2021	2019	2014	
0100001	Administration	12.0	12.0	12.0	13.0	15.0	
0200001	Education Program			1.0			
<b>Total</b>		<b>12.0</b>	<b>12.0</b>	<b>13.0</b>	<b>13.0</b>	<b>15.0</b>	
<b>Performance Measure Review</b>							
		FY 22	FY 21	FY 20	FY 19	FY 18	
<b>0100001 - Administration</b>							
Licensee Count - total number of licensed individuals and entities in the state		24,601	23,429	21,630	21,869	21,324	
Lapse rate - Average percentage of licensees that allow their license to lapse in a given year		15.83%	17.40%	19.72%	22%	20%	
Number of complaints reviewed		255	236	192	183		
Average time to process application - time for licensing staff to review an application for licensure		one business day	Five business days	Three weeks	Four weeks	Four weeks	

<b>Fine collections*</b> - The Commission collected a substantial increase in fines during FY20 as a result of a new Executive Director and Deputy Director joining the Commission and performing a review of past disciplinary cases in which assessed fines were never collected by the prior regime. Additionally, the new leadership at the Commission was able to resolve a backlog of cases for prosecution, leading to increased collections.	\$82,498.80	\$128,809.42	\$255,282*	\$5,250.00	\$17,041.00
<b>Exam pass rate</b> - first attempt salesperson exam pass rate for a given year	44%	52%	50%	50%	48%

Revolving Funds (200 Series Funds)				
Please provide fund number, fund name, description, and revenue source		FY'20-22 Avg. Revenues	FY'20-22 Avg. Expenditures	June '22 Balance
<b>20000 - Ok Real Estate Commission Revolving Fund</b>		\$1,875,872	\$1,409,648	\$2,519,605
The fund shall consist of all monies received by the Oklahoma Real Estate Commission other than the Oklahoma Real Estate Education and Recovery Fund fees.				
<b>21000 - Okla. R.E. Educ &amp; Recov. Fund</b>		\$276,350	\$64,668	\$461,843
The fund shall consist of monies received by the Oklahoma Real Estate Commission as fees assessed for the Oklahoma Real Estate Education and Recovery Fund. Monies in the fund shall be used to reimburse any claimant who has been awarded a judgment by a court of competent jurisdiction to have suffered monetary damages by an Oklahoma real estate licensee in any transaction for which a license is required under The Oklahoma Real Estate License Code because of an act constituting a violation of The Oklahoma Real Estate License Code.				